

VZCZCXYZ0035  
OO RUEHWEB

DE RUEHLP #1044/01 1262155  
ZNY CCCCC ZZH  
O 052155Z MAY 08  
FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7415  
INFO RUEHAC/AMEMBASSY ASUNCION 7916  
RUEHBO/AMEMBASSY BOGOTA 5249  
RUEHBR/AMEMBASSY BRASILIA 9182  
RUEHBU/AMEMBASSY BUENOS AIRES 6408  
RUEHCV/AMEMBASSY CARACAS 3565  
RUEHGE/AMEMBASSY GEORGETOWN 0697  
RUEHPE/AMEMBASSY LIMA 3808  
RUEHMD/AMEMBASSY MADRID 4000  
RUEHMN/AMEMBASSY MONTEVIDEO 5449  
RUEHPO/AMEMBASSY PARAMARIBO 0377  
RUEHQT/AMEMBASSY QUITO 6189  
RUEHSG/AMEMBASSY SANTIAGO 0863  
RUEAIIA/CIA WASHINGTON DC  
RUEHUB/USINT HAVANA 1107  
RHMFISS/HQ USSOUTHCOM MIAMI FL  
RUMIAAA/USCINCSO MIAMI FL  
RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L LA PAZ 001044

SIPDIS

E.O. 12958: DECL: 04/16/2018  
TAGS: [PGOV](#) [PREL](#) [ASEC](#) [BL](#)  
SUBJECT: BOLIVIA: AFTER SANTA CRUZ AUTONOMY VOTE, WHAT NEXT?

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d).

Summary

- - - - -

¶1. (U) Despite sporadic violence between pro- and anti-autonomy groups, the "Yes" vote in the May 4 Santa Cruz autonomy referendum won by a landslide -- 85 percent to the "No" vote's 15 percent. The abstention rate, between 25-35 percent, was quite low considering the efforts (including the burning of ballots in four municipalities) by anti-autonomy, pro-government groups to stop the vote. Allegations of ballot fraud are still being investigated, but early indications are that the fraud may have been manufactured by President Evo Morales' supporters to discredit the referendum. The resounding "yes" vote will likely act as a boost for the other opposition departments that will hold referenda on their own autonomy statutes (Beni and Pando on June 1, Tarija on June 22, and Chuquisaca on June 29).

¶2. (C) A conciliatory Santa Cruz Prefect Ruben Costas called for a "new national pact" in his "victory speech," noting that autonomy will be implemented gradually, thereby opening the door for serious talks with the government. The Santa Cruz victory celebration was heavy on national symbols, such as the singing of the national anthem and abundant displays of Bolivia's tri-color flag. In stark contrast, Evo was uncompromising and said the referendum was "illegal" and "unconstitutional." Morales argued the vote was actually an "utter failure," claiming that if one adds up the abstentions and the "No" vote it would amount to more than half of Cruzenos opposing the referendum. But, Morales' math is questionable as it is hard to find any equation in which the abstentions and the "No" vote exceed 50 percent. Evo did call again for national talks with the opposition prefects. And, ironically, Santa Cruz's convincing win provides an opportunity for a negotiated solution as the Media Luna's leadership still would prefer a settlement to confrontation. But, the window is likely to close quickly as Santa Cruz will face increasing pressure to implement its autonomy, particularly if there are no signs that the government is willing to compromise. End Summary.

May 4 Referendum Results: Big Fiesta for Santa Cruz

- - - - -

¶3. (U) As expected the May 4 Santa Cruz autonomy referendum won by a huge margin. Although the official results are not yet in, preliminary counts show that 85 percent voted in favor and 15 percent voted against the autonomy statutes. There is some debate over the level abstention, press reports range between 25 to 39 percent. The 25 percent figure is what most press outlets are reporting, while the Morales administration is citing the higher number. Either would be a significant increase over the last referendum in 2006 in which 17 percent of eligible Santa Cruz voters failed to cast a ballot. That said, pro-MAS groups had a hand in the abstention rate having successfully blocked voting all together (by taking over polling stations and burning ballots) in the Movimiento al Socialismo (MAS) strongholds of San Julian, Yapacani, Cuatro Canada and San Pedro. In, 2006, the four towns represented about four percent of Santa Cruz' eligible voters.

¶4. (U) Beyond the normal reasons for voter abstention, some voters likely stayed away from the polls because there was an expectation of violence around certain voting stations. Indeed, sporadic violence marked by clashes between Union Juvenil Cruceñista (UJC) and pro-MAS groups in the MAS-strongholds of Yapacani, San Julian, Montero and the Plan 3000 district of Santa Cruz city left over 20 injured. Plan 3000 was the site of the most injuries. A 69 year-old man died of a heart attack but the government announced that it was unrelated to the referendum.

¶5. (U) As expected the military stayed in its barracks on May 4, but the police was out in numbers trying to break up the various the pro- and anti-autonomy clashes. Government Minister Rada held several press conferences during the day. Rada accused the UJC of provoking violence in Santa Cruz, choosing to overlook the TV imagery that plainly showed pro-government groups provoking a fair number of the incidents. Rada claimed that the UJC was responsible for the 20-plus injuries in Plan 3000 and also said it provoked the violence in Montero. (Comment: While all the acts of violence were deplorable, the referendum and May 4 in general turned out to be much more peaceful than we (and most analysts) expected. End Comment).

¶6. (SBU) Rada also echoed the claims by pro-government groups that Santa Cruz departmental authorities engaged in fraud by pre-marking "Yes" on ballots. In the late afternoon a Ministry of Agriculture official (Romero Amarin) was found with several ballot boxes and other materials in his personal vehicle. Amarin claims he was going to file a fraud claim with the Departmental Electoral Court. (Comment: Ironically, the claims of pre-marking were by groups who had destroyed voting stations and stolen ballots. Rada and others never acknowledged that MAS supporters could have marked the ballots themselves. The fact that the government has essentially dropped fraud allegations in the wake of the vote is likely a sign that there is little evidence to make the case. End Comment).

#### Prefect Costas and the Thrill of Victory

- - - - -

¶7. (U) Amidst shouts of "governor," Santa Cruz Prefect Ruben Costas addressed crowds of buoyant supporters in Santa Cruz City's main square at 8:00 PM May 4. Costas called the referendum a "triumph for democracy" but did not announce any new measures, as some in the press were predicting. Calling the central government "hegemonic and totalitarian" Costas remarked on the government's attempts to stop and block the vote, by stating "They wanted to intimidate us, crush us with force . . . They sowed hate . . . They went to the extreme of threatening civil war. . . We responded to them like we always do, with serenity, but also with firmness, because reason and the law are on our side."

¶8. (C) Costas indicated that that the May 4 referendum was but the beginning of the autonomy movement, and that implementing autonomy would be a "gradual" process. In his

speech he proposed that the autonomy statutes should be "harmonized" with Bolivia's laws into a new "national pact" that fortify the "institutions of the Republic." He continued by stating that, "Bolivia demands of us a pact that does not violate democracy, liberty, nor the rule of law, an agreement that does not reject nor diminish the sentiments expressed in the July 2, 2006 referendum." (Note: Costas was referring to July 2, 2006 autonomy referendum which was a simply yes/no vote on whether voters wanted autonomy. The May 4, 2008 vote was a referendum on Santa Cruz' actual autonomy statutes. End Note).

¶9. (C) Comment: Costas' speech was magnanimous and conciliatory given the overwhelming "Yes" victory. Department and civic leaders took pains to show that their movement is Bolivian, not separatist. For example, the first hymn played was the national anthem, and Bolivian flags were displayed. Costas signaled that Santa Cruz would take a slow approach in its implementation of autonomy. His speech implied that Santa Cruz (and by the presence of the prefects of Beni, Pando, and Tarija) and the other opposition departments were prepared to negotiate with Morales and the MAS on integrating their autonomy statutes within a new constitutional text. End Comment.

#### Evo and the Agony of Defeat

¶10. (U) At 8:35 PM, shortly following Costas' speech, President Evo Morales went on state-run television to give his analysis of the May 4 referendum. Evo stressed earlier themes that the referendum was "illegal" and "anti-constitutional" and called the autonomy statutes "separatist and divisionist." The president praised "social groups" that turned out "spontaneously" to resist the vote. He reiterated his standard argument that the autonomy statutes were promoted by a minority of Santa Cruz residents, a few rich families. Morales stated, "despite the threats, the intimidation, the humiliation and aggression, there was a grand rebellion in Santa Cruz against the groups who always use the people for their interests." Evo stressed that the referendum was not a victory, but rather a failure arguing that the high-level of abstention coupled with the "No" vote represented "practically 50 percent." He argued that in comparison to 2006, the level of abstention had almost tripled. He added, "You cannot trick the Bolivian people stating that there was a winner with more than 80 percent."

¶11. (C) Comment: A tripling of the 2006 abstention rate, as Evo asserted, would equal 51 percent, which is far higher than any published estimates. Evo may have used the word "practically" in his statements because any real calculation of the abstentions, no vote, and blank ballots still does not eclipse the 50 percent mark. Furthermore, if one considers that at least four percent of the abstentions can be directly attributed to the burning of ballots of pro-government groups in San Julian, Yacapani, Cuatro Canada, and San Pedro the Morales' argument is further weakened. Nonetheless, the government took out full page advertisements in May 5 newspapers making their 50 percent claim. End Comment.

¶12. (U) Morales finished his speech once again calling on the prefects to dialogue while discounting the autonomy referendum by stating the talks should work toward "true autonomy." The president stated, "I want to convoke the prefects of country so that starting tomorrow we will work toward true autonomy, based in legality and in the new constitution."

¶13. (C) Comment: Unlike what some political analysts had expected (or at least hoped) Evo chose not see the referendum as a rebuke of his tactics and policies, instead he leveled his standard attacks against his opposition. There was nothing conciliatory about his speech. Evo's call for new negotiations looked like a poorly disguised "goodwill" gesture to shore up his credentials amongst his base and his international supporters who routinely cite his calls for dialogue as evidence of his willingness to listen to and negotiate with the opposition.

## Government "Disqualifies" Church as a Facilitator

¶14. (U) The Catholic Church has lost its role as the facilitator for national talks between the government and opposition. Even before the May 4 referendum, the government had condemned the Church for siding with the opposition, but it was Cardinal Terrazas' vote on May 4 that caused the final break. Government Minister Alfredo Rada on the RTP May 5 morning TV news program argued that Terrazas' vote in the "illegal and anti-constitutional referendum" demonstrates that he (and by extension the Church) are biased. Minister of the Presidency Juan Ramon Quintana then went further and disqualified the Church as a "facilitator or mediator."

Comment: What Next?

¶15. (C) Negotiations: Santa Cruz's resounding victory creates an opportunity for negotiations but only if the Media Luna senses that the government is prepared to engage seriously. The issues of synchronizing the new constitution with the autonomy statutes and distribution of hydrocarbons resources can be worked out but only if both sides compromise. With the Church out of the game, and the OAS somewhat suspect to those in the opposition (because of OAS SYG Insulza's perceived support for the government), it may fall to the Group of Friends (Brazil, Argentina and Colombia) to jump-start the process. International pressure, particularly on Evo, could provide the impetus for an agreement. However, should good-faith talks not materialize soon, Santa Cruz's political leadership will face increasing pressure to begin implementing autonomy measures that directly challenge the central government's authority. And, this could lead to confrontation.

¶16. (C) Crackdown: Commanding General of the Armed Forces Luis Trigo stated May 3 that the Santa Cruz autonomy statutes "affect the country's security and national defense." Trigo specifically cited three sub-articles (36, 37 and 41 of Article 6) of the statutes. Some in the pro-autonomy movement have interpreted Trigo comments as the military's warning that it could take action to stop the implementation of the statutes in Santa Cruz (at least the aforementioned sub-articles). MAS Congressional members and supporters have also called on the government to arrest the Santa Cruz leadership for inciting an illegal action. While such action remains unlikely they are not unthinkable even if they would almost certainly produce tremendous backlash and violence. Most pundits here believe that Santa Cruz actions to implement its autonomy will be the trigger for military or police action, although neither the military or police have the capability or will to try to establish control over Santa Cruz.

¶17. (C) Push for New Constitution: The MAS and the government, perhaps sensing its weakened position, may opt to push their new constitution to seek a victory of its own. Members of the MAS and their supporters are already pushing for a vote on the MAS-draft constitution as soon as possible. The earliest possible date for constitutional referendum is now mid-August, assuming Congress can agree on new convoking legislation. In the past, the opposition has blocked the drafting of convoking legislation arguing the MAS' machinations in the Constituent Assembly were illegal. The opposition has already stated that the MAS constitution should be completely discarded and replaced by a new drafting process. However, if it feels emboldened by the Santa Cruz vote, believing it can defeat the MAS-draft constitution the opposition may acquiesce on a constitutional referendum.

GOLDBERG